

The Challenges of Improving Residential Environments for Industrial Parks in the Age of Work-Life Balance

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Summary

1. The improvement of residential environments surrounding industrial complexes are needed to enhance work-life balance, address recruitment problems faced by SMEs, and promote youth employment. Approximately 25% of tenant companies in industrial complexes experience a manufacturing labor shortage, whereas young people cited poor residential environments surrounding industrial complexes as a reason for their reluctance to work for companies in industrial complexes (Korea Industrial Complex Corporation 2014).

2. An evaluation of residential environments shows that most industrial complexes lack access to educational, medical, and commercial facilities within the areas where their employees live their daily lives. Notably, about 100 industrial complexes have no supporting cities accessible with a radius of 30 km.

- Key residential facilities such hypermarkets (8.7 km), elementary schools (9.3 km), and movie theaters (24.8 km) are located distant from industrial complexes.

3. The radius where those working in industrial complexes and their households carry out daily functions is closely related to supporting cities. The preference for residential location and type varies according to family structure and the age of children.

- More than 60% of those working in industrial complexes reside in cities that are located within a 30-minute distance and use educational and commercial facilities there. In contrast, industrial complexes that lack supporting cities see an increase in the share of workers commuting a long distance.

4. Plans for the supply of residential environments should take into consideration the life patterns and needs of those working in industrial complexes.

Policy implications

1) (Connection to supporting cities) A mutually beneficial development of industrial complexes and their supporting cities should be induced by enhancing access to supporting cities. The public sector should take the lead in supplying basic facilities essential to day-to-day activities of workers.

2) (Creation of a residential hub) Hub cities and hub industrial complexes should be designated by city and province to facilitate the agglomeration of high-level residential functions. Institutional frameworks such as revision to related guidelines should be established to enhance a functional link between hub cities and small industrial complexes.

3) (Clustering of residential functions) In the case of small industrial complexes, which lack supporting cities within a commutable distance, space separation requirements for the development of supporting facilities should be adjusted, so that housing and supporting functions can be clustered to secure economic feasibility. Moreover, standards for building a residential complex that is supportive of small industrial complexes should be tailored to regional demand.